

Survey of Market Absorption of New Multifamily Units

2018 Characteristics Report (Apartments Completed in 2017 and
Absorbed During Their First 3 Months After Completion)

By George T. Boyd

Issued July 2018

H130/17-C



Acknowledgments

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INTRODUCTION

This report provides characteristics about units constructed in 2017 and absorbed during their first 3 months after completion, such as number of bedrooms, asking rent, and asking price. This publication is of value to builders, bankers, market analysts, land planners, and government officials trying to measure housing needs for over 45 years.

The estimates in this report are based on a survey conducted by the U.S. Census Bureau, for the U.S. Department of Housing and Urban Development (HUD). The sample consists of approximately 4,000 buildings with five or more housing units. Estimates published in this report are preliminary

and are subject to revision in the Survey of Market Absorption of New Multifamily Units Annual Absorption Report (H130) that will be released in April 2019. As with all surveys, estimates vary from actual values because of sampling variations or other factors. See Accuracy of the Estimates at the end of this report for more details.

HIGHLIGHTS¹

New construction: In 2017, approximately 286,000 privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units were completed in permit-issuing areas in the United States. This was the highest number of units constructed since 1988

¹ Details may not sum to totals because of rounding.

when SOMA estimated 284,500 new unfurnished rental apartments (Tables 1 and 2; Figure 1).

Within 3 months of completion, 55 percent of the 286,000 unfurnished rental units constructed in 2017 were absorbed/rented (Tables 2 and 3).

Regions: In 2017, the largest percentage of the new, unfurnished rental completions was located in the South, accounting for 48 percent of the construction. The West followed with 23 percent. The lowest percentage of new unfurnished rental completions in 2017 was found in the Northeast and the Midwest which, at 15 percent each, did not differ significantly from each other (Table 1).

Table 1.

Unfurnished Apartments by Rent and Number of Bedrooms for the United States and by Region: 2017 Completions

Characteristic	Number of unfurnished apartments					Percent distribution				
	United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
Total	286,000	42,000	41,900	136,000	66,100	100	15	15	48	23
ASKING RENT										
Less than \$850	18,000	300	3,000	13,300	1,400	6	1	7	10	2
\$850 to \$1,049	29,600	1,100	8,900	16,900	2,700	10	3	21	13	4
\$1,050 to \$1,249	37,700	900	8,000	21,600	7,200	13	2	19	16	11
\$1,250 to \$1,449	41,400	2,200	6,100	23,400	9,800	15	5	15	17	15
\$1,450 to \$1,649	32,500	2,000	3,600	19,900	7,000	11	5	9	15	11
\$1,650 to \$1,849	26,000	4,600	2,200	13,000	6,200	9	11	5	10	9
\$1,850 to \$2,049	21,100	4,700	2,500	9,200	4,800	7	11	6	7	7
\$2,050 to \$2,249	13,300	2,200	1,100	4,900	5,100	5	5	3	4	8
\$2,250 to \$2,449	16,100	6,300	1,700	3,500	4,600	6	15	4	3	7
\$2,450 or more	50,100	17,700	4,800	10,300	17,300	18	42	12	8	26
Median asking rent	\$1,550	\$2,344	\$1,285	\$1,387	\$1,811	X	X	X	X	X
BEDROOMS										
No bedroom	19,500	3,700	3,300	5,500	7,100	7	9	8	4	11
1 bedroom	136,100	19,000	20,000	68,600	28,500	48	45	48	50	43
2 bedrooms	113,100	17,300	15,200	53,900	26,600	40	41	36	40	40
3 bedrooms or more	17,300	2,000	3,300	8,100	3,900	6	5	8	6	6

X Not applicable.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five units or more. Data regarding number of bedrooms and asking rent are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

Table 2.

Unfurnished Apartments and 3-Month Absorption Rate by Rent and Number of Bedrooms for the United States and by Region: 2017 Completions

Characteristic	Number of unfurnished apartments					Percent absorbed within 3 months				
	United States	Northeast	Midwest	South	West	United States	Northeast	Midwest	South	West
Total	286,000	42,000	41,900	136,000	66,100	55	56	55	51	63
ASKING RENT										
Less than \$850	18,000	300	3,000	13,300	1,400	55	100	78	46	81
\$850 to \$1,049	29,600	1,100	8,900	16,900	2,700	62	95	68	54	75
\$1,050 to \$1,249	37,700	900	8,000	21,600	7,200	61	77	53	59	74
\$1,250 to \$1,449	41,400	2,200	6,100	23,400	9,800	61	66	55	55	77
\$1,450 to \$1,649	32,500	2,000	3,600	19,900	7,000	55	54	43	52	67
\$1,650 to \$1,849	26,000	4,600	2,200	13,000	6,200	56	63	54	49	65
\$1,850 to \$2,049	21,100	4,700	2,500	9,200	4,800	54	63	69	48	48
\$2,050 to \$2,249	13,300	2,200	1,100	4,900	5,100	52	74	27	46	54
\$2,250 to \$2,449	16,100	6,300	700	3,500	4,600	44	54	20	40	42
\$2,450 or more	50,100	17,700	4,800	10,300	17,300	47	46	46	32	56
Median asking rent	\$1,550	\$2,344	\$1,285	\$1,387	\$1,811	\$1,478	\$2,222	\$1,205	\$1,351	\$1,651
No bedroom	19,500	3,700	3,300	5,500	7,100	51	52	55	48	51
Less than \$1,850	12,700	1,100	2,800	4,600	3,600	57	75	64	50	60
\$1,850 or more	6,800	2,600	500	800	3,500	40	42	8	37	42
Median asking rent	\$1,542	+\$2,450	\$986	\$1,330	\$1,845	\$1,407	\$2,113	\$818	\$1,261	\$1,646
1 bedroom	136,100	19,000	20,000	68,600	28,500	54	59	50	51	60
Less than \$850	10,400	100	1,600	7,700	1,000	56	100	75	49	76
\$850 to \$1,049	19,600	700	5,000	12,700	1,200	58	100	69	51	65
\$1,050 to \$1,249	23,200	300	3,900	14,600	4,400	58	62	41	58	72
\$1,250 to \$1,449	17,900	600	2,500	11,600	3,300	61	79	50	60	70
\$1,450 to \$1,649	12,700	1,300	1,100	7,800	2,500	48	36	26	51	52
\$1,650 to \$1,849	11,600	3,700	400	4,900	2,600	53	68	27	42	57
\$1,850 to \$2,049	10,100	2,400	1,400	3,900	2,300	60	93	82	40	46
\$2,050 to \$2,249	5,800	800	600	1,700	2,600	46	81	13	31	51
\$2,250 to \$2,449	6,000	1,500	1,600	500	2,400	38	61	17	28	40
\$2,450 or more	18,700	7,500	2,000	3,100	6,100	44	39	35	23	63
Median asking rent	\$1,415	\$2,132	\$1,226	\$1,240	\$1,787	\$1,355	\$1,951	\$1,099	\$1,217	\$1,672
2 bedrooms	113,100	17,300	15,200	53,900	26,600	56	53	60	50	67
Less than \$850	5,200	100	200	4,700	200	45	100	82	40	94
\$850 to \$1,049	8,000	100	3,200	3,600	1,200	68	100	70	61	85
\$1,050 to \$1,249	10,400	400	2,800	5,300	1,900	67	97	64	61	81
\$1,250 to \$1,449	19,200	1,200	2,800	9,700	5,500	61	55	57	50	84
\$1,450 to \$1,649	14,200	300	2,000	9,000	2,900	60	95	55	54	78
\$1,650 to \$1,849	10,100	600	1,100	6,400	2,000	56	39	46	54	71
\$1,850 to \$2,049	7,900	2,000	700	4,000	1,200	48	29	49	52	64
\$2,050 to \$2,249	5,400	1,100	400	2,700	1,300	56	66	36	53	61
\$2,250 to \$2,449	8,600	4,500	Z	2,500	1,500	46	51	51	39	42
\$2,450 or more	24,000	6,900	2,100	6,100	8,900	49	55	61	34	52
Median asking rent	\$1,643	\$2,371	\$1,357	\$1,532	\$1,810	\$1,569	\$2,380	\$1,301	\$1,507	\$1,582
3 bedrooms or more	17,300	2,000	3,300	8,100	3,900	62	64	67	55	72
Less than \$850	500	Z	Z	400	Z	55	100	100	52	100
\$850 to \$1,049	300	Z	Z	200	Z	63	100	Z	61	100
\$1,050 to \$1,249	1,700	100	1,000	500	100	63	100	70	46	58
\$1,250 to \$1,449	1,600	100	700	700	Z	59	83	58	54	72
\$1,450 to \$1,649	3,200	200	300	1,900	700	62	64	48	53	92
\$1,650 to \$1,849	2,600	Z	600	1,000	1,000	73	100	80	61	82
\$1,850 to \$2,049	1,700	Z	200	1,300	200	67	87	88	62	78
\$2,050 to \$2,249	800	100	Z	500	200	70	78	76	64	82
\$2,250 to \$2,449	800	Z	100	400	200	59	67	54	61	55
\$2,450 or more	4,000	1,400	300	1,000	1,400	54	58	64	43	55
Median asking rent	\$1,751	+\$2,450	\$1,429	\$1,682	\$1,868	\$1,743	+\$2,450	\$1,441	\$1,708	\$1,796

+ The median is in the open-ended interval, thus cannot be calculated.

Z Represents zero or rounds to zero.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding number of bedrooms and asking rent are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

Table 3.

Unfurnished Apartments and 3-Month Absorption Rate by Rent and Number of Bedrooms for Geographic Areas: 2017 Completions

Characteristic	Number of unfurnished apartments				Percent absorbed within 3 months			
	United States	Inside CBSA ¹		Outside CBSA ¹	United States	Inside CBSA ¹		Outside CBSA ¹
		Inside principal city	Outside principal city			Inside principal city	Outside principal city	
Total	286,000	168,600	113,500	3,900	55	51	61	47
ASKING RENT								
Less than \$850	18,000	8,600	9,400	Z	55	63	47	Z
\$850 to \$1,049	29,600	19,200	10,300	100	62	58	69	60
\$1,050 to \$1,249	37,700	19,900	17,300	500	61	52	70	91
\$1,250 to \$1,449	41,400	23,200	17,600	600	61	52	70	100
\$1,450 to \$1,649	32,500	18,400	13,900	100	55	50	60	100
\$1,650 to \$1,849	26,000	13,600	11,300	1,100	56	52	63	26
\$1,850 to \$2,049	21,100	11,200	8,500	1,400	54	49	66	17
\$2,050 to \$2,249	13,300	9,400	3,900	Z	52	52	54	Z
\$2,250 to \$2,449	16,100	7,000	9,100	Z	44	47	42	Z
\$2,450 or more	50,100	38,000	12,100	Z	47	45	52	Z
Median asking rent	\$1,550	\$1,594	\$1,482	\$1,750	\$1,478	\$1,535	\$1,430	\$1,366
No bedroom	19,500	16,200	3,300	Z	51	51	54	Z
Less than \$1,850	12,700	9,900	2,789	Z	57	59	55	Z
\$1,850 or more	6,800	6,300	517	Z	40	39	47	Z
Median asking rent	\$1,542	\$1,593	\$1,242	\$950	\$1,407	\$1,434	\$1,073	\$1,170
1 bedroom	136,100	82,500	52,300	1,300	54	51	59	42
Less than \$850	10,400	4,700	5,700	Z	56	68	46	Z
\$850 to \$1,049	19,600	13,400	6,100	100	58	54	67	100
\$1,050 to \$1,249	23,200	11,200	11,600	300	58	48	67	100
\$1,250 to \$1,449	17,900	11,300	6,600	Z	61	56	70	Z
\$1,450 to \$1,649	12,700	9,000	3,700	Z	48	50	43	Z
\$1,650 to \$1,849	11,600	6,100	4,600	900	53	48	67	16
\$1,850 to \$2,049	10,100	5,300	4,800	Z	60	49	72	Z
\$2,050 to \$2,249	5,800	4,700	1,100	Z	46	47	38	Z
\$2,250 to \$2,449	6,000	3,000	3,000	Z	38	45	31	Z
\$2,450 or more	18,700	13,700	5,000	Z	44	43	45	Z
Median asking rent	\$1,415	\$1,462	\$1,331	\$1,704	\$1,355	\$1,408	\$1,289	\$1,170
2 bedrooms	113,100	60,600	50,300	2,100	56	51	63	46
Less than \$850	5,200	2,500	2,700	Z	45	41	49	Z
\$850 to \$1,049	8,000	4,600	3,400	Z	68	67	70	Z
\$1,050 to \$1,249	10,400	5,500	4,800	100	67	55	80	100
\$1,250 to \$1,449	19,200	8,900	9,700	600	61	46	73	100
\$1,450 to \$1,649	14,200	5,900	8,300	Z	60	53	65	Z
\$1,650 to \$1,849	10,100	5,200	4,900	Z	56	54	58	Z
\$1,850 to \$2,049	7,900	3,900	2,600	1,400	48	53	56	17
\$2,050 to \$2,249	5,400	3,100	2,300	Z	56	54	59	Z
\$2,250 to \$2,449	8,600	2,900	5,600	Z	46	46	45	Z
\$2,450 or more	24,000	17,900	6,200	Z	49	46	57	Z
Median asking rent	\$1,643	\$1,756	\$1,563	\$1,897	\$1,569	\$1,712	\$1,498	\$1,371
3 bedrooms or more	17,300	9,300	7,500	400	62	57	68	79
Less than \$850	500	100	300	Z	55	100	39	Z
\$850 to \$1,049	300	200	100	Z	63	64	59	Z
\$1,050 to \$1,249	1,700	1,100	500	100	63	69	54	33
\$1,250 to \$1,449	1,600	500	1,100	Z	59	57	60	Z
\$1,450 to \$1,649	3,200	1,700	1,400	100	62	46	80	100
\$1,650 to \$1,849	2,600	1,000	1,500	200	73	64	78	83
\$1,850 to \$2,049	1,700	600	1,100	Z	67	69	66	Z
\$2,050 to \$2,249	800	300	500	Z	70	80	63	Z
\$2,250 to \$2,449	800	500	300	Z	59	56	65	Z
\$2,450 or more	4,000	3,200	800	Z	54	51	65	Z
Median asking rent	\$1,751	\$1,860	\$1,692	\$1,626	\$1,743	\$1,834	\$1,703	\$1,642

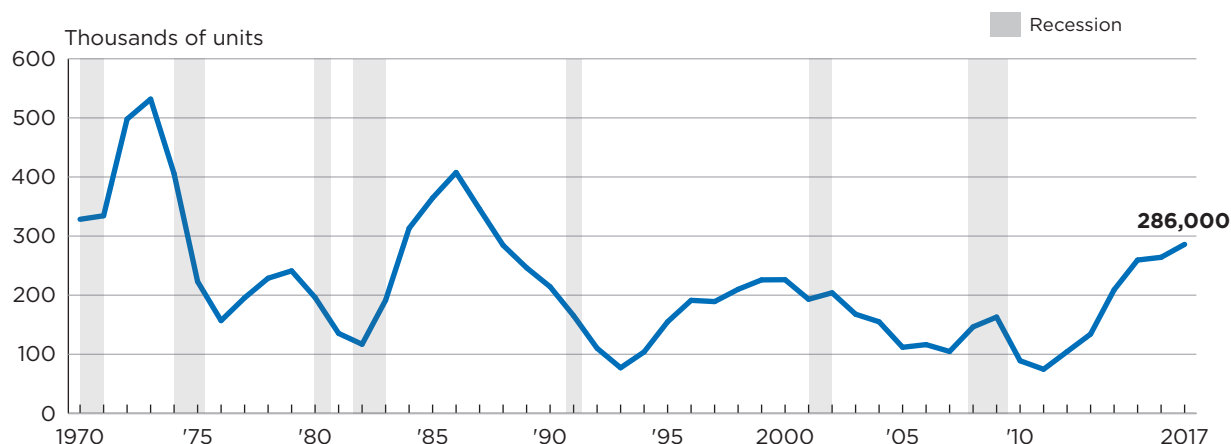
Z Represents zero or rounds to zero.

¹ Core-Based Statistical Area.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding number of bedrooms and asking rent are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

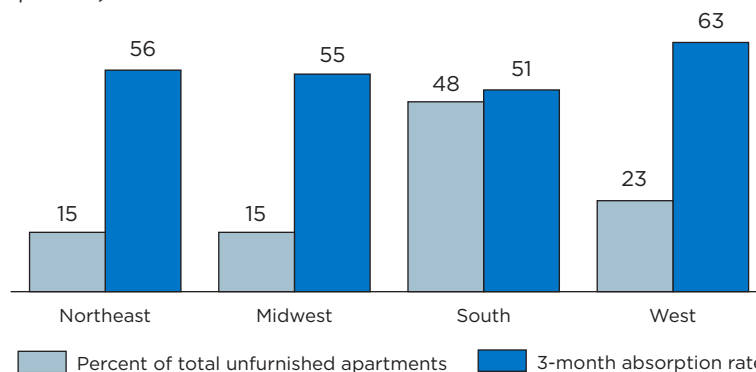
Figure 1.
Unfurnished Rental Units: 1970 to 2017 Completions



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.
Recession data: National Bureau of Economic Research, <www.nber.org>.

The West reported 63 percent of their unfurnished rental units absorbed within 3 months after completion and was 12 percentage points greater than the 51 percent reported in the South. However, the 63 percent in the West did not differ significantly from the 56 percent reported in the Northeast, nor the 55 percent 3-month absorption rate in the Midwest. There were no other significant differences detected among the 3-month absorption rates (Table 2; Figure 2).

Figure 2.
Unfurnished Apartment Units and 3-Month Absorption Rates by Region: 2017 Completions
(In percent)



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

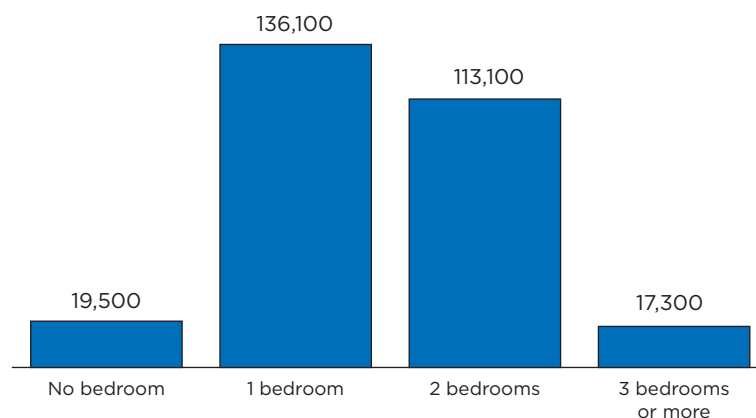
Bedrooms (unfurnished apartments): One-bedroom units accounted for 48 percent, or 136,100 units, of the new rental construction in 2017. Only 7 percent (19,500 units) were designated as efficiencies/no-bedroom units and 6 percent (17,300) were constructed with three or more bedrooms in 2017. There were no significant differences detected between these two percentages (Table 1; Figure 3).

There were no significant differences detected among the 3-month absorption rates for efficiencies/no-bedroom (51 percent), one-bedroom (54 percent), two-bedroom (56 percent), and three-or-more-bedroom (62 percent) units built in 2017 (Table 3).

Rent (unfurnished apartments): The median monthly asking rent of \$1,550 for all unfurnished rental apartments completed in 2017 did not differ significantly from the \$1,480 median asking rent in 2016.² Three months after completion, the absorption rates for units renting between \$850 to \$1,049, \$1,050 to \$1,249, and those renting for \$1,250 to \$1,449 (about 61 percent) were higher than the 3-month absorption rate of 44 percent for units with a rent range of \$2,250

² The \$1,480 median asking rent figure is from Table 3 of the 2018 Annual Absorption Report (2017 Absorptions for 2016 Completions) and is not inflation-adjusted.

Figure 3.
**Unfurnished Rental Apartments by Number of Bedrooms:
2017 Completions**



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

to \$2,449, and the 47 percent renting for \$2,450 or more. There were no significant differences detected among the remaining 3-month absorption percentages by rent category (Tables 2 and 3).

Rent (number of bedrooms): The median asking rent of \$1,751 for a unit with three or more bedrooms in 2017 did not differ significantly from the \$1,643 median asking rent for units with two bedrooms. Additionally, both of these median asking rents did not differ significantly from the median asking rent for efficiency units of \$1,542. However, they were both higher than one-bedroom units with a

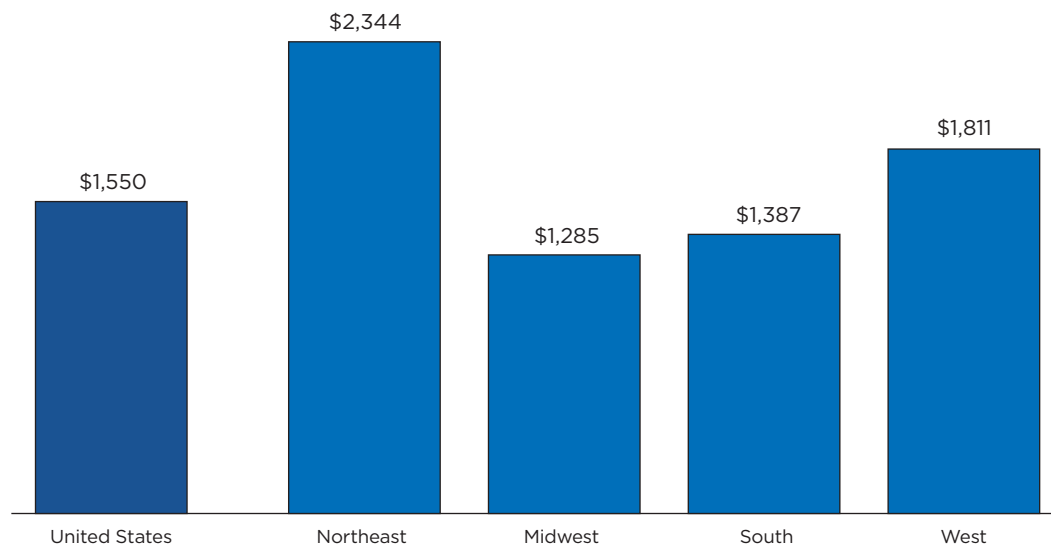
median asking rent of \$1,415 per month (Tables 2 and 3).

Rent (region): The median asking rent for units constructed in 2017 was highest in the Northeast region, where the median asking rent was \$2,344. The next highest asking rent was in the West at \$1,811. The South at \$1,387 and the Midwest at \$1,285 had the lowest median asking monthly rents (Table 2; Figure 4).

Core-Based Statistical Areas (CBSAs) (unfurnished apartments): Approximately 282,100 or 99 percent of the 286,000 unfurnished rental units constructed in 2017 were completed inside CBSAs

Figure 4.

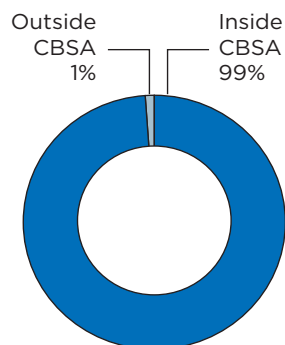
Median Asking Rent by Region for Unfurnished Rental Apartments: 2017 Completions



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

Figure 5.

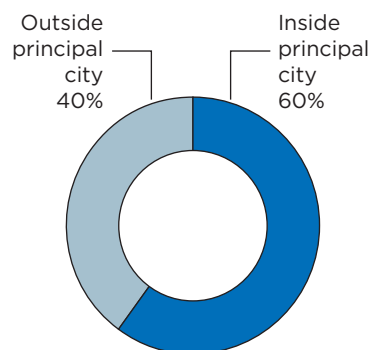
Distribution by Geographical Areas in Unfurnished Rentals: 2017 Completions



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

Figure 6.

Distribution of Unfurnished Apartment Units Inside Core-Based Statistical Areas: 2017 Completions



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

(Table 3; Figure 5). Of those units constructed inside CBSAs, approximately 60 percent of the units were built inside principal cities, and 40 percent were built outside principal cities. Approximately 3,900 or 1 percent of new rental units were constructed outside of CBSAs (Table 3; Figure 6).

Of the 113,500 units constructed outside principal cities of CBSAs, 61 percent were absorbed within 3 months of completion. This was 10 percentage points higher than the 51 percent absorption rate for the 168,600 units constructed inside principal cities. After 3 months, 47 percent of the 3,900 units constructed outside of CBSAs were absorbed. However, this absorption rate was not significantly different from the absorption rates for units

Table 4.

Unfurnished Apartments and 3-Month Absorption Rate by Units in Building and Number of Floors in Building: 2017 Completions

Item	Total	Percent completed	Percent absorbed in 3 months
Total¹.....	286,000	100	55
5 to 9 units.....	12,200	4	79
10 to 12 units.....	14,700	5	76
13 to 19 units.....	10,500	4	62
20 to 49 units.....	92,500	32	58
50 to 99 units.....	48,500	17	55
100 or more units.....	107,600	38	46
Buildings with 1 or 2 floors.....	21,000	7	66
5 to 9 units.....	8,300	3	77
10 to 12 units.....	3,900	1	58
13 to 19 units.....	4,600	2	55
20 to 49 units.....	3,800	1	68
50 to 99 units.....	400	Z	55
100 or more units.....	Z	Z	Z
Buildings with 3 floors.....	101,600	35	60
5 to 9 units.....	2,600	1	87
10 to 12 units.....	10,300	4	82
13 to 19 units.....	5,100	2	67
20 to 49 units.....	66,500	23	58
50 to 99 units.....	11,900	4	46
100 or more units.....	5,200	2	57
Buildings with 4 or 5 floors.....	101,400	35	54
5 to 9 units.....	1,200	Z	75
10 to 12 units.....	400	Z	87
13 to 19 units.....	700	Z	62
20 to 49 units.....	20,400	7	56
50 to 99 units.....	31,100	11	58
100 or more units.....	47,600	17	49
Buildings with 6 or more floors....	61,900	22	45
5 to 9 units.....	100	Z	69
10 to 12 units.....	100	Z	81
13 to 19 units.....	100	Z	88
20 to 49 units.....	1,700	1	69
50 to 99 units.....	5,100	2	61
100 or more units.....	54,800	19	42

Z Represents zero or rounds to zero.

¹ Does not include buildings not reporting number of floors.

Note: Privately financed, nonsubsidized, unfurnished, rental apartments in buildings with five or more units. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

constructed inside principal cities and those units constructed outside principal cities (Table 3).

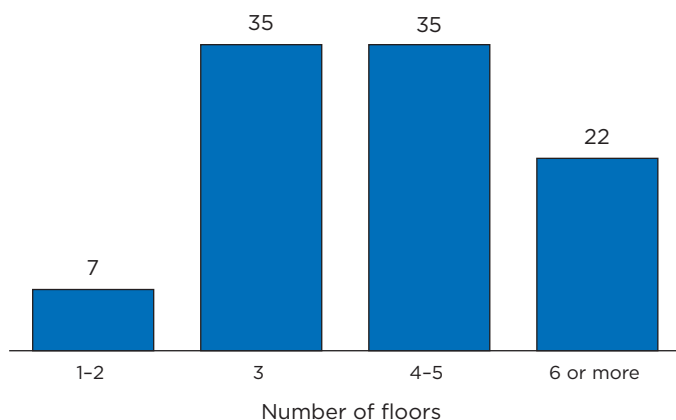
Number of floors (unfurnished apartments): Units constructed

in buildings with three floors, and those with four or five floors, each accounted for 35 percent of the 286,000 total rental apartment units constructed in 2017. Units in buildings with six or more floors

accounted for 22 percent, while units in buildings with one or two floors accounted for 7 percent of new construction in 2017 (Table 4; Figure 7).

Figure 7.

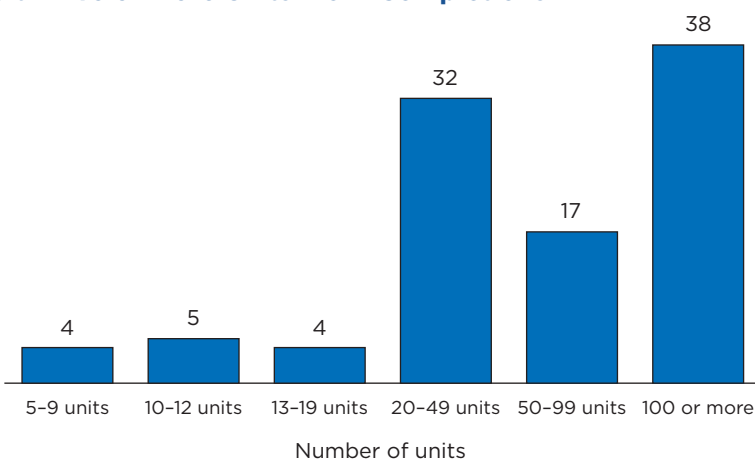
Percentage of Unfurnished Apartments by Number of Floors in Buildings With Five or More Units: 2017 Completions



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

Figure 8.

Percentage of Unfurnished Apartments by Units in Buildings With Five or More Units: 2017 Completions



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

There were no significant differences detected between the 66 percent 3-month absorption rate for units in buildings with one or two floors and the 60 percent 3-month absorption rate for units in buildings with three floors

in 2017. Both of these 3-month absorption rates were higher than the 45 percent 3-month absorption rate for units in buildings with six or more floors. The 3-month absorption rate of 54 percent of units in buildings with four or five

floors was not significantly different from any absorption rate by number of floors (Table 4).

Units per building (unfurnished apartments): Units in buildings that contained 100 or more units accounted for approximately 38 percent of the 286,000 new unfurnished apartments constructed in 2017. Units in buildings containing 20 to 49 units accounted for 32 percent. This was followed by units in buildings with 50 to 99 units accounting for 17 percent of the construction. The lowest percentages were those with 5 to 9 units and 13 to 19 units at 4 percent each, and 5 percent in buildings with ten to 12 units. There were no significant differences detected among these three percentages for new construction in 2017 (Table 4; Figure 8).

After 3 months, absorption rates ranged from 46 percent in buildings with 100 or more units to 79 percent in buildings with 5 to 9 units (Table 4).

Utilities (unfurnished apartments): In 2017, approximately 8 percent of the 286,000 total apartment units constructed included electricity in the monthly rent, 15 percent included gas, 28 percent included water, and 31 percent included sewer service. The 3-month absorption rate was higher in units where gas was not included (59 percent) than where gas was included (47 percent) with rent (Table 5a).

Of the total unfurnished rental apartments, 92 percent provided individual laundry connections in each unit, 4 percent each reported shared laundry facilities, and 4 percent both individual and shared (laundry room) connections.

Table 5a.

UTILITIES—Unfurnished Apartments and Condominium Units and 3-Month Absorption Rates: 2017 Completions

Characteristic	Unfurnished rental units			Condominium units		
	Number	Percent	Percent absorbed within 3 months	Number	Percent	Percent absorbed within 3 months
Total	286,000	100	55	13,500	100	73
ELECTRICITY						
Available						
Included ¹	21,600	8	54	200	2	56
Extra cost	264,300	92	55	13,000	98	74
Not reported	X	X	X	200	X	X
GAS						
Available						
Included ¹	44,100	15	47	3,300	19	70
Extra cost	96,900	34	59	6,700	44	73
Not available	143,900	51	54	3,400	37	80
Not reported	1,100	X	X	100	X	X
WATER						
Available						
Included ¹	79,000	28	54	8,300	39	76
Extra cost	206,600	72	55	4,400	61	71
Not reported	300	X	X	800	X	X
SEWER						
Available						
Included ¹	89,800	31	54	8,700	51	76
Extra cost	196,000	69	55	3,900	49	69
Not reported	200	X	X	800	X	X
LAUNDRY CONNECTIONS^{2, 3}						
Available						
All units	263,400	92	55	12,600	96	73
Shared	11,300	4	70	300	2	78
Both	10,700	4	39	500	2	82
Not available	300	0	82	X	Z	78
Not reported	300	X	X	100	X	X
WASHER AND DRYER²						
Available						
All units	247,500	90	54	10,300	81	71
Some units	17,400	6	51	1,000	3	96
Not available	9,500	3	78	2,500	16	83
Not reported	11,600	X	X	600	X	X

X Not applicable.

Z Represents zero or rounds to zero.

¹ Rent or condominium fee.² Provided by management.³ The difference in the percentage of units with a washer and dryer, and those units with a laundry connection is attributed to not-reported cases.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding features and utilities are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Percentages are computed using unrounded data.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

Table 5b.

AMENITIES—Unfurnished Apartments and Condominium Units and 3-Month Absorption Rates: 2017 Completions

Characteristic	Unfurnished rental units			Condominium units		
	Number	Percent	Percent absorbed within 3 months	Number	Percent	Percent absorbed within 3 months
Total	286,000	100	55	13,500	100	73
INTERNET/WI-FI						
Available						
Included ¹	35,300	12	52	3,000	22	82
At extra cost	246,000	86	55	9,500	70	71
Not available	4,600	2	47	700	5	75
Not reported	100	Z	X	300	2	X
CABLE/SATELLITE						
Available						
Included ¹	22,100	8	54	2,100	16	86
At extra cost	259,500	91	55	10,300	76	71
Not available	4,300	1	50	700	5	75
Not reported	Z	Z	X	300	2	X
PARKING						
Available						
Included ¹	207,800	73	54	9,200	69	77
At extra cost	31,700	11	59	1,600	12	67
Not available	46,400	16	55	2,600	19	67
Not reported	100	Z	X	100	Z	X
SWIMMING POOLS						
Available						
Included ¹	202,600	71	54	7,400	55	70
At extra cost	26,700	9	52	700	5	66
Not available	56,600	20	58	5,200	39	80
Not reported	100	Z	X	100	Z	X

X Not applicable.

Z Represents zero or rounds to zero.

¹ Rent or condominium fee.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding features and utilities are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Percentages are computed using unrounded data.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

Washing machines and dryers were provided by management in 90 percent of all of the unfurnished rental apartments (Table 5a; Figure 9). After 3 months on the market, 55 percent of the units with laundry connections were absorbed. The percentage of units absorbed after 3 months where management provided a washer and dryer was 54 percent (Table 5a).

There were no significant differences detected among the 3-month absorption rate of 70

percent for units with shared laundry connections and the 55 percent of those with available laundry connections (Table 5a).

Amenities (unfurnished apartments): Of the 286,000 unfurnished rental apartments constructed in 2017, Wi-Fi or Internet service was available in 98 percent of the units, and it was included in the monthly rent in 12 percent of those units. Cable or satellite service was available in 99 percent of the units, with 8 percent having it included in their

rent. Off-street parking was available to 84 percent of the units, with approximately 87 percent of those units having it included with their monthly rent. Approximately 80 percent had a swimming pool available, and of those 88 percent had the cost of a swimming pool included in their monthly rent (Table 5b; Figure 10).

There were no significant differences in the 3-month absorption rates for units that included amenities, such as Wi-Fi/Internet, cable/satellite, or use of a swimming

pool, in the monthly rent versus those that charged a fee for those amenities (Table 5b).

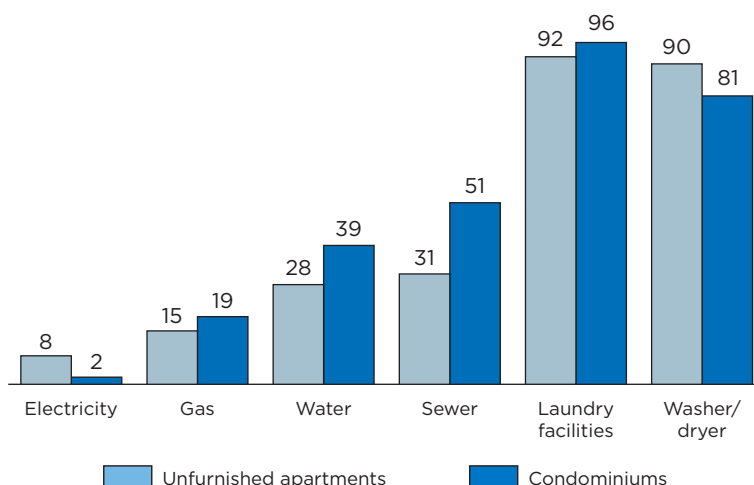
New construction (condominiums and cooperatives): Approximately 14,000 condominium and cooperative apartments were constructed in 2017. This was approximately 4,700 fewer units compared to the 18,700 condominium and cooperative completions in 2016 (Table 6; Figure 11). Within 3 months after completion, 74 percent of the units had been absorbed. Of the 14,000 units constructed, 13,500 were built as condominiums (Table 7).

CBSAs (condominiums and cooperatives): In 2017, approximately 97 percent or 13,600 of the 14,000 condominium and cooperative units were constructed inside CBSAs with 3 percent being constructed outside CBSAs (Table 6). The largest proportion (64 percent) of all new units constructed was inside principal cities. Units constructed outside of principal cities accounted for 33 percent (Table 6; Figure 12).

The 3-month absorption rate for all condominium and cooperative units constructed inside CBSAs was 74 percent. There was no significant differences in the 3-month absorption rate of 72 percent for units constructed inside principal cities, and 79 percent for those constructed outside principal cities (Table 6).

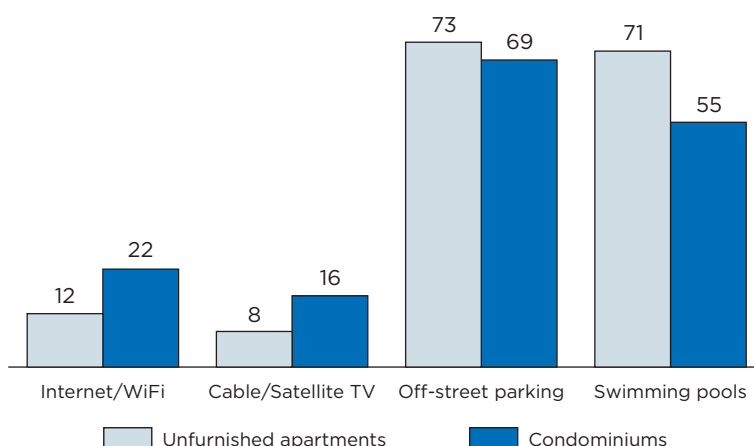
New construction (condominiums): Condominiums accounted for approximately 13,500 or 4 percent of the total privately financed,

Figure 9.
Utilities Included With Rent/Purchase in Unfurnished Apartments and Condominium Units: 2017 Completions
(In percent)



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

Figure 10.
Amenities Included With Rent/Purchase in Unfurnished Apartments and Condominium Units: 2017 Completions
(In percent)



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

Table 6.

Condominium and Cooperative Apartments and 3-Month Absorption Rate by Number of Bedrooms and Geography: 2017 Completions

Characteristic	Number	Percent of total	Percent absorbed within 3 months	Median asking price
Total	14,000	100	74	\$499,800
BEDROOMS				
Fewer than 2 bedrooms	2,800	20	69	\$521,800
2 bedrooms	6,700	48	76	\$437,300
3 bedrooms or more	4,400	32	74	\$664,500
REGION				
Northeast	3,100	22	74	+\$700,000
Midwest	1,800	13	79	\$323,500
South	5,300	38	79	\$451,400
West	3,800	27	64	\$416,500
GEOGRAPHIC AREA				
Inside CBSA ¹	13,600	97	74	\$507,100
Inside principal city	9,000	64	72	\$662,600
Outside principal city	4,600	33	79	\$324,300
Outside CBSA ¹	400	3	60	\$415,000

+ The median is in the open-ended interval, thus cannot be calculated.

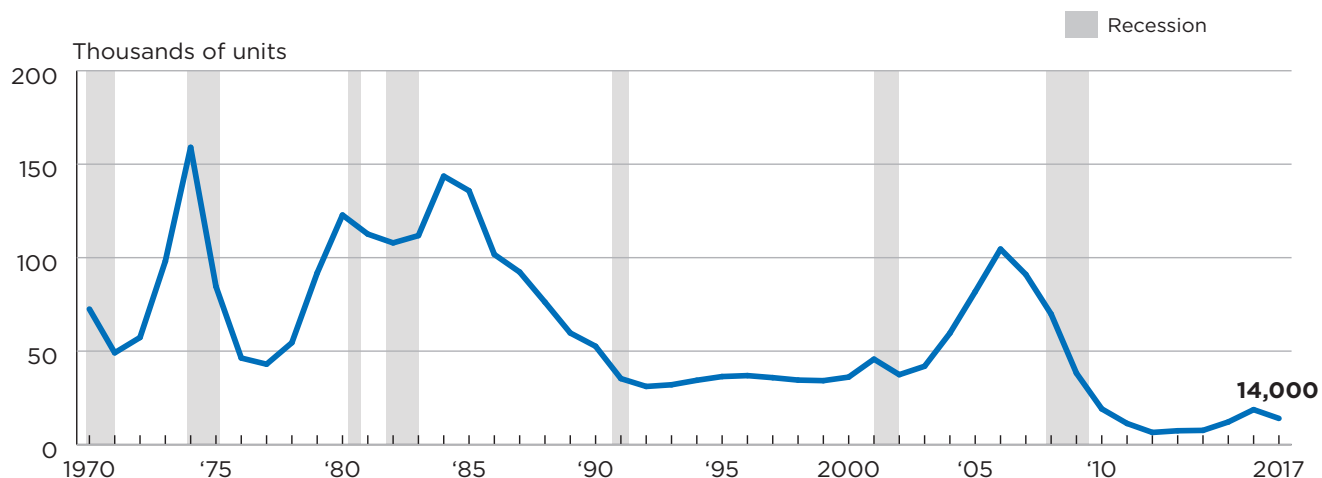
¹ Core-Based Statistical Area.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding number of bedrooms and asking rent are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

Figure 11.

Condominium and Cooperative Units: 1970 to 2017 Completions



Source: U.S. Census Bureau, 1970 to 2017 Survey of Market Absorption of New Multifamily Units.
Recession data: National Bureau of Economic Research, <www.nber.org>.

Table 7.

Condominium Apartments and 3-Month Absorption Rate by Asking Price, Number of Bedrooms, Region, and Geographic Area: 2017 Completions

Characteristic	Number	Percent of total	Percent absorbed within 3 months	Median asking price
Total	13,500	100	73	\$514,400
ASKING PRICE				
Less than \$200,000	1,100	8	66	X
\$200,000 to \$249,999	1,100	8	62	X
\$250,000 to \$299,999	600	4	69	X
\$300,000 to \$349,999	1,300	10	85	X
\$350,000 to \$399,999	1,000	8	75	X
\$400,000 to \$449,999	800	6	74	X
\$450,000 to \$499,999	600	5	80	X
\$500,000 to \$549,999	700	5	84	X
\$550,000 to \$599,999	400	3	78	X
\$600,000 to \$649,999	500	4	84	X
\$650,000 to \$699,999	1,100	8	80	X
\$700,000 or more	4,400	32	68	X
BEDROOMS				
Fewer than 2 bedrooms	2,800	21	68	\$527,100
2 bedrooms or more	10,700	80	75	\$500,900
2 bedrooms	6,300	47	75	\$455,100
3 bedrooms or more	4,400	33	74	\$667,100
REGION				
Northeast	3,100	23	74	+\$700,000
Midwest	1,400	11	74	\$345,200
South	5,200	38	80	\$455,100
West	3,800	28	64	\$416,500
GEOGRAPHIC AREA				
Inside CBSA ¹	13,100	97	74	\$524,300
Inside Principal City	8,700	64	71	\$668,400
Outside Principal City	4,400	33	79	\$329,300
Outside CBSA ¹	400	3	60	\$415,000

+ The median is in the open-ended interval, thus cannot be calculated.

X Not applicable.

¹ Core-Based Statistical Area.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding number of bedrooms and asking rent are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

nonsubsidized, units in buildings with five or more units completed in 2017. After 3 months on the market, 73 percent of the units had been sold/absorbed (Table 7).

Bedrooms (condominiums): In 2017, the approximately 10,700 units with two or more bedrooms accounted for 80 percent of

condominium apartment construction (Table 7; Figure 13). There were no significant differences detected among the 3-month absorption rates for condominiums based on number of bedrooms. After 3 months, 68 percent of the 2,800 condominium units with less than two bedrooms had been absorbed. This percentage

did not differ significantly from the 75 percent 3-month absorption rate for units with two bedrooms or more (Table 7).

Asking price (condominiums):

The median asking price for all new condominium apartments built in 2017 was \$514,400. This figure could not be compared

Table 8.

Furnished Apartments and 3-Month Absorption Rate by Asking Rent, Number of Bedrooms, Region, and Geographic Area: 2017 Completions

Characteristic	Number	Percent of total	Percent absorbed within 3 months	Median asking rent
Total	10,200	100	66	\$1,210
ASKING RENT				
Less than \$1,850	6,200	60	71	\$960
\$1,850 or more	4,000	40	59	+\$2,450
BEDROOMS				
Fewer than 2 bedrooms	3,100	31	55	Z
2 bedrooms or more	7,000	69	71	Z
REGION				
Northeast	500	8	63	+\$2,450
Midwest	2,300	17	69	\$946
South	4,000	40	73	\$1,118
West	3,400	35	56	\$1,933
GEOGRAPHIC AREA				
Inside CBSA ¹	10,100	100	67	\$1,214
Inside Principal City	6,900	62	62	\$1,569
Outside Principal City	3,200	38	76	\$915
Outside CBSA ¹	100	Z	Z	\$1,150

+ The median is in the open-ended interval, thus cannot be calculated.

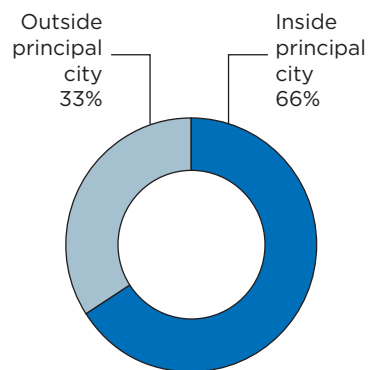
Z Represents zero or rounds to zero.

¹ Core-Based Statistical Area.

Note: Privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units. Data regarding number of bedrooms and asking rent are collected at the initial interview, such as 3 months following completion. Details may not sum to totals because of rounding. Medians and percentages are computed using unrounded data.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

Figure 12.

Distributions in Core-Based Statistical Area: 2017 Condominium/Cooperatives Completions


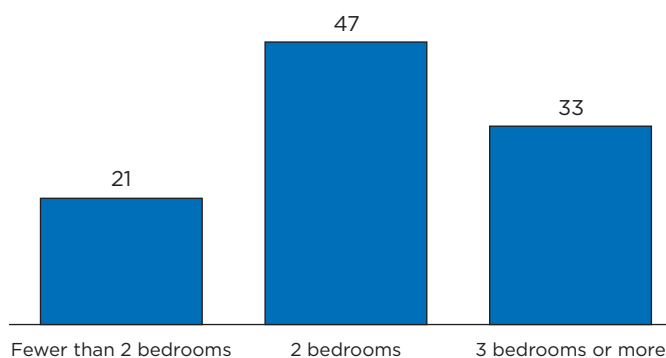
Note: Details may not sum to total because of rounding.

Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

Figure 13.

Number of Bedrooms in Condominium Units: 2017 Completions

(In percent)



Note: Details may not sum to total because of rounding.

Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

to the 2016 median asking price, which exceeded the upper range of \$700,000-plus.^{3,4} In 2017, the median asking price for new condominiums built in the Northeast also exceeded the \$700,000 upper limit of the SOMA cost range and thus, could not be compared to the other regions. The median asking price in the South (\$455,100) was not significantly different from the \$416,500 median asking price in the West. However, it was higher than the \$345,200 reported in the Midwest. There were no statistical differences detected in the median asking price for condominiums constructed in the Midwest and West (Table 7; Figure 14).

Overall, 73 percent of all condominium apartments were absorbed within 3 months after completion. There were no significant differences in the 3-month absorption rate by asking price (Table 7).

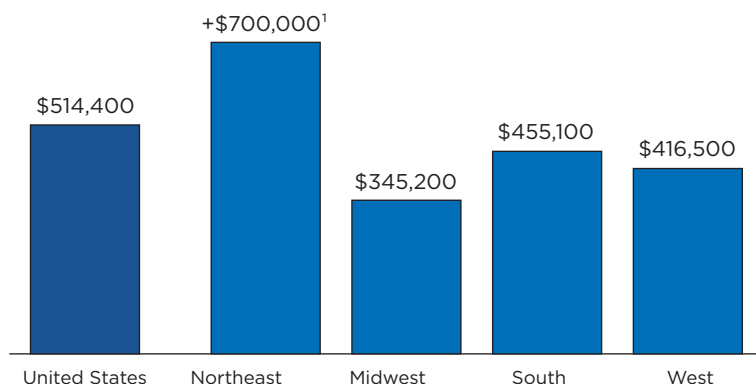
Regions (condominiums): In 2017, the highest percentage of condominium construction was reported in the South at 38 percent. The West (28 percent) and the Northeast (23 percent) did not differ significantly, however, both along with the percentage constructed in the South, were higher than the 11 percent reported in the Midwest. For absorption rates, there were no statistical differences among the regions (Table 7; Figure 15).

Utilities (condominium apartments): Of the 13,500 condominium units constructed in 2017, approximately 2 percent included electricity in the condominium fees, 19 percent included gas, 39

³ Median asking price figure from Table 7 of the 2018 Annual Absorption Report (2017 Absorptions for 2016 Completions).

⁴ The questionnaire asks 12 selling price range categories from less than \$200,000 to \$700,000 or more.

Figure 14.
Median Asking Price of Condominium Units by Region: 2017 Completions

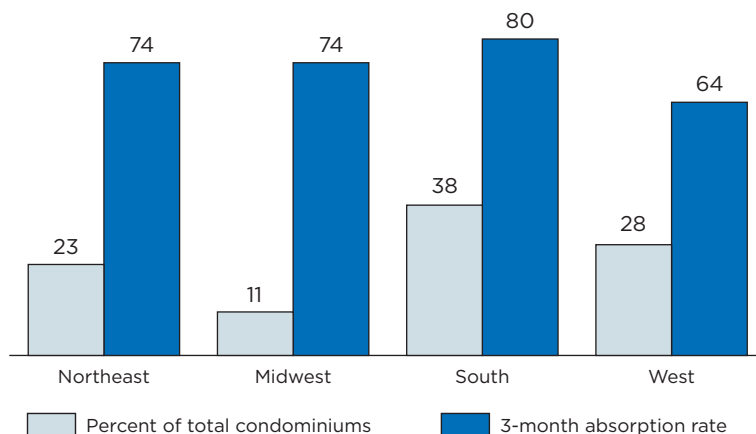


+ The median is in the open-ended interval, thus cannot be calculated.

¹ Median asking price greater than the SOMA upper limit range category of \$700,000 or more.

Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

Figure 15.
Condominium Units and 3-Month Absorption Rates by Region: 2017 Completions
(In percent)



Source: U.S. Census Bureau, 2017 Survey of Market Absorption of New Multifamily Units.

percent included water, and 51 percent included sewer service. Of the condominiums completed in 2017, approximately 96 percent provided individual laundry connections in all units, 2 percent reported shared laundry facilities, and 2 percent reported both

shared and individual connections (Table 5a; Figure 9).

Washing machines and dryers were available to 81 percent of the condominium apartments completed in 2017. There were no significant differences detected in the

Table 9.

Total Apartments in Buildings With Five or More Units: 1970 to 2017 Completions

Year	Total	Unfurnished		Furnished		Condominiums and cooperatives		Subsidized and tax credit ¹		Other units ²	
		Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
2017	346,900	286,000	82	10,200	3	14,000	4	34,900	10	1,900	1
2016	311,000	264,100	85	4,300	1	18,700	6	20,600	7	3,300	1
2015	310,300	259,500	84	7,000	2	12,100	4	30,500	10	1,400	2
2014	255,700	210,800	82	7,900	3	7,000	3	26,400	10	3,500	1
2013	186,200	134,200	72	3,300	2	7,400	4	38,600	21	2,700	1
2012	157,600	104,500	66	3,700	2	6,500	4	34,400	22	8,500	5
2011	129,900	74,700	57	1,300	1	11,300	9	36,300	28	6,300	5
2010	146,500	89,100	61	1,100	1	19,100	13	31,400	21	5,800	4
2009	259,700	163,000	63	1,900	1	38,200	15	44,300	17	12,400	5
2008	276,600	146,400	53	2,800	1	69,800	26	49,100	18	8,500	3
2007	253,000	104,800	41	1,200	2	91,000	36	46,700	18	9,200	4
2006	283,500	116,400	41	3,300	1	104,600	37	51,900	19	7,300	3
2005	258,000	111,900	43	5,400	2	81,800	32	45,200	18	13,600	5
2004	285,500	155,000	54	4,400	2	59,600	21	55,700	20	10,800	4
2003	261,400	167,800	64	2,200	1	41,900	16	37,800	15	11,300	4
2002	288,100	204,100	71	3,100	1	37,400	13	32,100	11	11,500	4
2001	281,000	193,100	69	4,500	2	45,700	16	26,700	10	11,100	4
2000	300,000	226,200	75	2,900	1	36,100	12	24,400	8	10,500	3
1999	291,800	225,900	77	7,700	3	34,200	12	13,600	5	10,400	4
1998	273,900	209,900	77	3,000	1	34,500	13	20,000	7	6,600	2
1997	247,100	189,200	77	3,000	1	35,800	15	14,100	6	5,000	2
1996	251,300	191,300	76	2,400	1	36,900	15	14,200	6	6,400	3
1995	212,400	155,000	73	1,600	1	36,400	17	13,700	6	5,700	3
1994	154,900	104,000	67	1,100	1	34,400	22	11,800	8	3,600	2
1993	124,800	77,200	62	2,700	2	32,000	26	7,700	6	5,200	4
1992	155,200	110,200	71	700	2	31,100	20	7,000	5	6,000	4
1991	216,500	165,300	76	2,800	1	35,300	16	9,600	4	3,500	2
1990	294,400	214,300	73	2,900	1	52,600	18	13,800	5	10,800	4
1989	337,900	246,400	73	4,900	1	59,700	18	19,800	6	7,200	2
1988	388,600	284,500	73	4,300	1	76,200	20	15,200	4	8,400	2
1987	474,200	345,600	73	7,900	2	92,300	19	17,000	4	11,300	2
1986	550,200	407,600	74	11,600	2	101,700	18	23,300	4	6,000	1
1985	533,300	364,500	68	7,400	1	135,800	25	12,000	2	13,700	3
1984	506,000	313,200	62	9,800	2	143,600	28	28,500	6	10,700	2
1983	370,700	191,500	52	4,700	1	111,800	30	47,700	13	15,100	4
1982	288,200	117,000	41	5,400	2	107,900	37	48,000	17	10,000	3
1981	332,500	135,400	41	6,000	2	112,600	34	66,100	20	12,500	4
1980	418,900	196,100	47	9,700	2	122,800	29	79,900	19	10,500	3
1979	439,300	241,200	55	12,100	3	91,800	21	87,500	20	6,700	2
1978	362,700	228,700	63	11,200	3	54,500	15	54,100	15	14,300	4
1977	289,400	195,600	68	16,200	6	43,000	15	26,000	9	8,700	3
1976	258,200	157,000	61	12,800	5	46,300	18	32,000	12	10,000	4
1975	371,400	223,100	60	11,100	3	84,600	23	38,900	10	13,800	4
1974	685,400	405,500	59	20,700	3	159,000	23	75,400	11	25,000	4
1973	774,800	531,700	69	36,200	5	98,100	13	82,000	11	26,800	3
1972	718,200	497,900	69	37,700	5	57,300	8	93,800	13	31,400	4
1971	583,400	334,400	57	32,200	6	49,100	8	104,800	18	63,000	11
1970	526,000	328,400	62	48,200	9	72,500	14	55,900	11	21,000	4

Z Represents zero or rounds to zero.

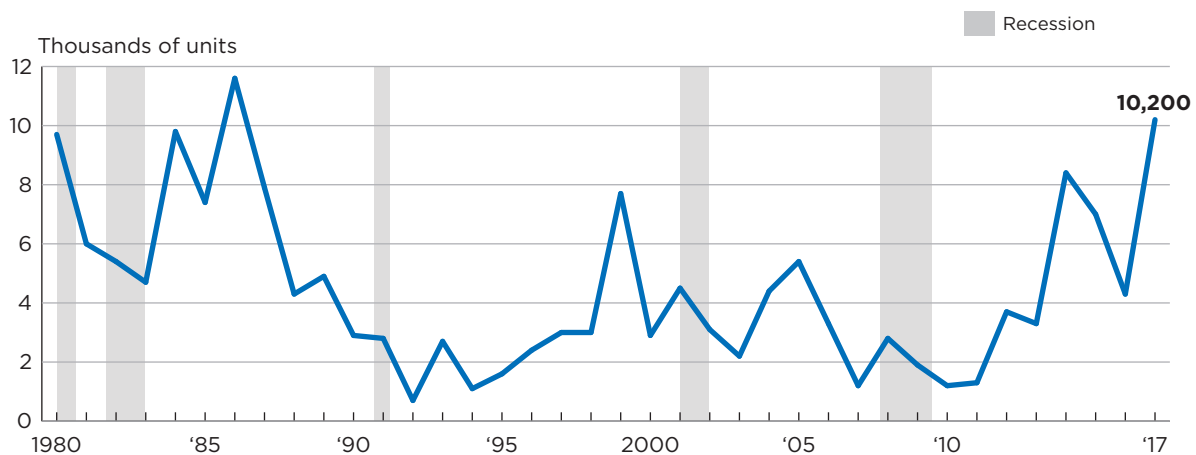
¹ Subsidized housing programs include: Project-based Section 8, Public Housing, grants to the elderly, direct loans and grants to the disabled, rental assistance programs, HOME program, Community Development Block Grants, and the U.S. Department of Agriculture multifamily rural housing program.

² "Other units" includes time-sharing units, continuing care retirement units, and turnkey housing (privately built for and sold to local public housing authorities subject to completion).

Note: Details may not sum to totals because of rounding. Percentages are computed using unrounded data.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

Figure 16.
Furnished Apartment Units: 1980 to 2017 Completions



Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units.
Recession data: National Bureau of Economic Research, <www.nber.org>.

3-month absorption rates between units that included utilities in the condominium fees and those that did not (Table 5a; Figure 9).

Amenities (condominium apartments): Wi-Fi or Internet service was available to 92 percent of the condominium apartments completed in 2017. However, only 24 percent of those units where Wi-Fi was available included it in their condominium fees. Cable or satellite service was available in 92 percent of the condominium apartments, with 17 percent of those units having it included in their condominium fees. Off-street parking was included in the condominium fees for 69 percent of all condominium apartments. Approximately 60 percent of all condominium apartments had a swimming pool, and of those, 91 percent included it in their condominium fees (Table 5b; Figure 10).

Of the condominium units that did not include the cost of a swimming pool in their fees, 66 percent were absorbed within 3 months. This figure did not differ significantly from the 3-month absorption rate of 70 percent for those where the swimming pool fees were included in the condominium fees. However, after 3 months on the market, 80 percent of the condominium units where a swimming pool was not available were absorbed.

There were no significant differences in the 3-month absorption rates based on whether a unit did or did not include amenities such as Wi-Fi/Internet, cable/satellite, or off-street parking (Table 5b).

Furnished apartment units:

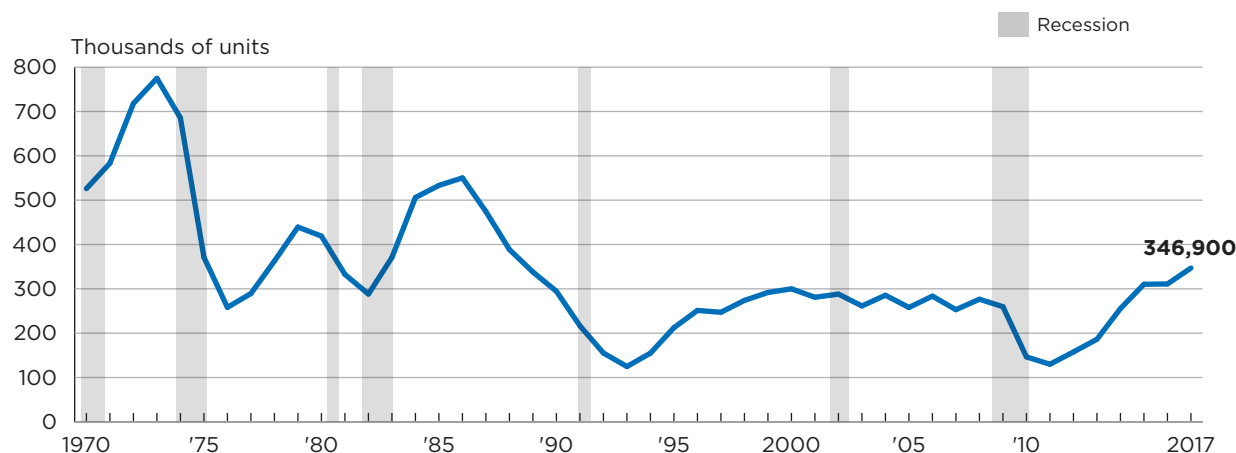
There were approximately 10,200 furnished apartment units constructed in 2017. This was approximately double the 4,300 reported in 2016 (Table 8; Figure 16).

The median asking rent for a furnished unit in 2017 was \$1,210. This was lower than the \$1,550 asking rent for an unfurnished unit constructed in 2017. After 3 months, 66 percent of the 10,200 furnished apartment units were rented (Table 8). This percentage did not differ significantly compared to the 3-month absorption rate of 55 percent for unfurnished rental units (Tables 2 and 8).

All apartments (summary): In 2017, there were approximately 346,900 apartments constructed in residential buildings with five or more units. This was the highest number recorded by SOMA since 1989, when 337,900 privately financed, nonsubsidized, units in buildings with five or more units were constructed. Of the 346,900 units, 82 percent were designated as nonsubsidized, unfurnished rental apartments; 10 percent were subsidized and tax-credit units; 4 percent were condominiums and

Figure 17.

Buildings With Five or More Units: 1970 to 2017 Completions



Source: U.S. Census Bureau, 1970 to 2017 Survey of Market Absorption of New Multifamily Units.
Recession data: National Bureau of Economic Research, <www.nber.org>.

cooperatives; 3 percent were furnished rental units; and 1 percent were not in the scope of the survey (Table 9; Figure 17).⁵

CHARACTERISTICS OF THE DATA

All statistics from the SOMA refer to apartments in newly constructed buildings with five or more units. Absorption rates reflect the first time an apartment is rented after completion or the first time a condominium or cooperative apartment is sold after completion. If apartments initially intended to be sold as condominium or cooperative units are offered by the builder or building owner for rent instead, they are counted as rental apartments. Units categorized as subsidized and tax credited are those built under two HUD programs (Section 8, Low Income Housing Assistance and Section 202, Senior Citizens Housing Direct Loans) and all units in buildings containing

apartments in the Federal Housing Administration rent supplement program. The data on privately financed units include privately owned housing subsidized by state and local governments. Other units include time-share units, continuing-care retirement units, and turnkey units (privately built for and sold to local public housing authorities after completion) and are considered to be outside the scope of the survey.

Tables 1, 2, 3, and 4 are restricted to privately financed, nonsubsidized, unfurnished rental apartments. Table 7 is restricted to privately financed, nonsubsidized, condominiums only, while Table 8 is limited to privately financed, nonsubsidized furnished apartments only. Table 9 is a historical summary of the totals for all types of newly constructed apartments in buildings with five or more units. Estimates published in this report are preliminary and are subject to revision in the H130, *Survey of Market Absorption of New Multifamily Units—2019 Annual*

Report—2018 Absorptions (2017 Completions).

Additionally, SOMA tabulates and reports absorption rates for units based on their CBSA. CBSAs include an urban center of at least 10,000 people and adjacent areas that are socioeconomically tied to the urban center by commuting. The term “CBSA” refers collectively to both metropolitan statistical areas and micropolitan areas. Micropolitan areas are based around Census Bureau-defined urban clusters of at least 10,000 and fewer than 50,000 people. Absorption rates within the CBSAs are further divided into “Inside Principal City” and “Outside Principal City.”

Principal cities of a CBSA are the largest incorporated places with a population of at least 10,000 in the CBSA. If there is no such place present in the CBSA, the largest incorporated place or census-designated place (CDP) in the CBSA is termed the “Principal City.” Principal cities also include

⁵ Examples of out-of-scope units: turnkey, time share, and continuing care.

any additional incorporated place or CDP with a population of at least 250,000 or in which 100,000 or more persons work.

SAMPLE DESIGN

The Census Bureau designed the survey to provide data concerning the rate at which privately financed, nonsubsidized, unfurnished units in buildings with five or more units are rented or sold (absorbed). In addition, the survey collects data on characteristics such as number of bedrooms, asking rent, and asking price.

Buildings for the survey came from those included in the Census Bureau's Survey of Construction (SOC).⁶ For the SOC, the United States is first divided into primary sampling units (PSUs), which are stratified based on population and building permits. The PSUs to be used for the survey are then randomly selected from each stratum. Next, a sample of geographic locations that issue permits is chosen within each of the selected PSUs. All newly constructed buildings with five or more units within sampled places and a subsample of buildings with one to four units are included in the SOC.

For the SOMA, the Census Bureau selects a sample of buildings with five or more units that have been reported in the SOC sample as having been completed during that quarter. The SOMA does not include buildings in areas that do not issue permits. In each of the subsequent four quarters, the proportion of units in the quarterly sample that are sold or rented (absorbed) are recorded, providing

data for absorption rates 3, 6, 9, and 12 months after completion.

ESTIMATION

Beginning with data on completions in the fourth quarter of 1990 (which formed the base for absorptions in the first quarter of 1991), the Census Bureau modified the estimation procedure and applied the new estimation procedure to new estimates for the other three quarters of 1990 to derive estimates using the same methodology for four quarters. The Census Bureau did not perform any additional reestimation of past data.

Using the original estimation procedure, the Census Bureau created design-unbiased quarterly estimates by multiplying the counts for each building by its base weight (the inverse of its probability of selection) and then summing over all buildings. Multiplying the design-unbiased estimate by the following ratio-estimate factor for the country as a whole provides the following estimate:

"Total units in buildings with five or more units in permit-issuing areas as estimated by the SOC for that quarter divided by total units in buildings with five or more units as estimated by the SOMA for that quarter."

Beginning with January 2001 completions, the SOC revised its methodology for estimating the number of units completed for five or more multiunit structures. See <www.census.gov/ftp/pub/const/www/new_methodology_const.html> for these changes. Thus, caution is required when comparing data from 2001 and forward to any estimates prior to 2001.

In the modified estimation procedure, instead of applying a single ratio-estimate factor for the entire country, the Census Bureau computes separate ratio-estimate factors for each of the four geographic regions. Multiplying the unbiased regional estimates by the corresponding ratio-estimate factors provides the final estimates for regions. The Census Bureau obtains the final estimates for the country by summing the final regional estimates.

This procedure produces estimates of the units completed in a given quarter that are consistent with published figures from the SOC and reduces, to some extent, the sampling variability of the estimates of totals. Annual absorption rates are obtained by computing a weighted average of the four quarterly estimates.

Absorption rates and other characteristics of units not included or accounted for in the interviewed group, are assumed to be identical to rates for units about which data were obtained. The noninterviewed and not-accounted-for cases constitute less than 2 percent of the sample housing units in this survey.

A survey interview is complete once the field representative collects information for the bedrooms. SOMA does not include data for subsidized units, therefore, if any unit is subsidized by Section 8 or receives any government assistance, the interview is then complete.

An interview is considered a sufficient partial interview when at least the building type (Unfurnished Rental, Furnished Rental, Cooperative, Condominium, or Owned or Leased by a Public Housing Agency) is recorded.

⁶ See <www.census.gov/const/www/newresconstdoc.html#sample> for further details on the SOC sample design.

The response rates for SOMA are calculated by dividing the number of building interviews by the number of eligible buildings (Table 10):

$$\frac{\text{Interviews}}{\text{Interviews plus Type A noninterviews}} \times 100$$

As of first quarter 2017 completions quarterly report, other units (i.e., turnkey, time-share, continuing-care retirement units) have been counted as completed interviews in the response rate.

NOTE TO DATA USERS

The SOMA adopted new ratio estimation procedures in 1990 to derive more accurate estimates of completions.⁷ This new procedure was used for the first time in processing annual data for 1990. Please use caution when comparing completions in 1990 and following years with those in earlier years.

ACCURACY OF THE ESTIMATES

The SOMA is a sample survey and consequently all statistics in this report are subject to sampling variability. Estimates derived from different samples would differ from these.

Two types of possible errors are associated with data from sample surveys: nonsampling and sampling.

Nonsampling Errors

In general, nonsampling errors can be attributed to many sources: inability to obtain information about all cases in the sample, difficulties with definitions, differences in interpretation of questions, inability or unwillingness of

⁷ See Estimation section.

Table 10.

Sample Sizes and Weighted Response Rates by Quarter of Completion: 2017

2017 Completions	Eligible		Ineligible	Weighted response rate
	Interviews	Noninterviews		
Total	4,036	193	81	96.8
First quarter	951	15	6	98.7
Second quarter	1,090	44	8	97.7
Third quarter	1,127	45	32	98.0
Fourth quarter	868	89	35	92.4

the respondents to provide correct information, and data processing errors. Although no direct measurements of any bias that might result from nonsampling errors has been obtained, the Census Bureau thinks that most of the important response and operational errors were detected during review of the data for reasonableness and consistency.

Sampling Errors

The particular sample used for this survey is one of many possible samples of the same size that could have been selected using the same design. Even if the same questionnaires, instructions, and interviewers were used, estimates from different samples would likely differ from each other. The deviation of a sample estimate from the average of all possible samples is defined as the sampling error. The standard error of a survey estimate provides a measure of this variation and thus, is a measure of the precision with which an estimate from a sample approximates the average result from all possible samples.

If all possible samples were selected, if each was surveyed under the same general conditions, and if an estimate and its estimated standard error were calculated from each sample, then:

- Approximately 68 percent of the intervals from one standard

error below the estimate to one standard error above the estimate (i.e., the 68 percent confidence interval) would include the average result from all possible samples.

- Approximately 90 percent of the intervals from 1.645 standard errors below the estimate to 1.645 standard errors above the estimate (i.e., the 90 percent confidence interval or margin of error) would include the average result from all possible samples.
- Approximately 95 percent of the intervals from two standard errors below the estimate to two standard errors above the estimate (i.e., the 95 percent confidence) would include the average result from all possible samples.

This report uses a 90 percent confidence level as its standard for statistical significance.

For very small estimates, the lower limit of the confidence interval may be negative. In this case, a better approximation to the true interval estimate can be achieved by restricting the interval estimate to positive values, that is, by changing the lower limit of the interval estimate to zero.

The reliability of an estimated absorption rate (i.e., a percentage) computed by using sample

data for both the numerator and denominator depends on both the size of the rate and the size of the total on which the rate is based. Estimated rates of this kind are relatively more reliable than the corresponding estimates of the numerators of the rates, particularly if the rates are 50 percent or more.

In this report, Tables A, B1, and B2 present approximations to the standard errors of various estimates shown. Table A presents standard errors for estimated totals and Tables B1 and B2 present standard errors for estimated percentages for rental apartments and condominiums, respectively. To derive standard errors that would be applicable to a wide variety of items and could be prepared at moderate cost, a number of approximations were required. As a result, the tables of standard errors provide an indication of the order of magnitude of the standard errors, rather than the precise standard error for any specific item. Standard errors for values not shown in Tables A, B1, or B2 can be obtained by linear interpolation.

ILLUSTRATIVE USE OF THE STANDARD ERROR TABLES

Table 2 of this report shows that in 2017, there were approximately 136,100 new privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units constructed in permit-issuing areas constructed with one bedroom. Table A shows the standard error of this size to be approximately 6,054 using linear interpolation (see Example A-1). To obtain the margin of error, multiply 6,054 by 1.645. The margin of error around this estimate is 9,959. Thus, the 90 percent confidence

interval shown by these data is from 126,141 to 146,059. The true value of these one-bedroom units completed in 2017 may or may not be included in this computed interval, but one can say through repeated sampling, 90 percent of the constructed intervals contain the true number of units.

Table 2 also shows that the rate of absorption after 3 months for these 1-bedroom units built is 54 percent. Table B-1 shows the standard error on a 54 percent rate on a base 136,100 to be approximately 2.93 percentage points using linear interpolation (see Example B-1). The margin of error for the absorption rate of 54 percent is 4.82 (2.93×1.645). Thus, the 90 percent confidence interval shown by these data is from 49.2 to 58.8.

Table 2 also illustrates that the median asking rent for all new privately financed, nonsubsidized, unfurnished rental apartments in buildings with five or more units built as 1-bedroom units to be \$1,415. The margin of error of this median is about \$74.

Several statistics are needed to calculate the standard error of a median.

- The base of the median—the estimated number of units for which the median has been calculated. In this example, 136,100.
- The estimated standard error from Table B-1 of a 50 percent characteristic on the base of the median ($\sigma 50$ percent)—in this example (see Example B-2), the estimated standard error of a 50 percent characteristic with the base of 136,100 is about 2.97 percent.
- The length of the interval that contains the median. In

this example, the median lies between \$1,250 and \$1,449. The length of the interval is \$200.

- The estimated proportion of the base falling in the interval that contains the median—in this example, 13.2 percent (17,900 units renting for \$1,250 to \$1,449 divided by 136,100 total units times 100 = 13.2 percent).

The standard error of the median is obtained by using the following approximation:

Standard error of median = $\sigma 50$ percent \times length of interval containing the sample median divided by the estimated proportion of the base falling within the interval containing the sample median.

For this example, the standard error of the median of \$1,415:

$$2.97 \times 200 / 13.2 = \$45$$

Therefore, 1.645 standard errors (45×1.645), equals \$74. Consequently, an approximate 90 percent confidence interval for the median asking rent of \$1,415 is between \$1,341 and \$1,489 (\$1,415 plus or minus \$74).

CONTACT INFORMATION

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Table A.

Standard Errors for Estimates of Apartments in Buildings With Five Units or More: 2017 Completions

All units, unfurnished apartments, furnished apartments		Condominiums and coops	
Estimated number	Standard error	Estimated number	Standard error
300	370	300	180
500	480	500	240
800	600	800	300
1,300	770	1,300	380
2,100	970	2,100	480
3,400	1,240	3,400	610
5,500	1,570	5,500	760
8,900	1,990	8,900	960
14,400	2,510	14,400	1,180
23,300	3,150	X	X
37,700	3,910	X	X
61,000	4,790	X	X
98,700	5,680	X	X
159,700	6,290	X	X
258,400	5,550	X	X
347,000	1,200	X	X

X Not applicable.

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

Table B-1.

Standard Errors of Estimated Percentages for All Units, Unfurnished Apartments, and Furnished Apartments: 2017 Completions

Estimated percentages	300	500	800	1,300	2,100	3,400	5,500	8,900	14,400	23,300	37,700	61,000	98,700	159,700	258,400	347,000
98 or 2	17.2	13.4	10.6	8.3	6.5	5.1	4.0	3.2	2.5	2.0	1.5	1.2	1.0	0.7	0.6	0.5
95 or 5	26.8	20.8	16.4	12.9	10.1	8.0	6.3	4.9	3.9	3.0	2.4	1.9	1.5	1.2	0.9	0.8
90 or 10 . . .	37.0	28.6	22.6	17.8	14.0	11.0	8.6	6.8	5.3	4.2	3.3	2.6	2.0	1.6	1.3	1.1
80 or 20 . . .	49.3	38.2	30.2	23.7	18.6	14.6	11.5	9.0	7.1	5.6	4.4	3.5	2.7	2.1	1.7	1.4
75 or 25 . . .	53.3	41.3	32.7	25.6	20.2	15.8	12.5	9.8	7.7	6.1	4.8	3.7	2.9	2.3	1.8	1.6
60 or 40 . . .	60.3	46.7	37.0	29.0	22.8	17.9	14.1	11.1	8.7	6.8	5.4	4.2	3.3	2.6	2.1	1.8
50	61.6	47.7	37.7	29.6	23.3	18.3	14.4	11.3	8.9	7.0	5.5	4.3	3.4	2.7	2.1	1.8

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

Table B2.

Standard Errors of Estimated Percentages for Condominiums and Cooperatives: 2017 Completions

Estimated percentages	300	500	800	1,300	2,100	3,400	5,500	8,900	14,400
98 or 2	8.5	6.6	5.2	4.1	3.2	2.5	2.0	1.6	1.2
95 or 5	13.3	10.3	8.1	6.4	5.0	3.9	3.1	2.4	1.9
90 or 10	18.3	14.1	11.2	8.8	6.9	5.4	4.3	3.4	2.6
80 or 20	24.3	18.9	14.9	11.7	9.2	7.2	5.7	4.5	3.5
75 or 25	26.3	20.4	16.1	12.7	10.0	7.8	6.2	4.8	3.8
60 or 40	29.8	23.1	18.3	14.3	11.3	8.9	7.0	5.5	4.3
50	30.4	23.6	18.6	14.6	11.5	9.0	7.1	5.6	4.4

Source: U.S. Census Bureau, Survey of Market Absorption of New Multifamily Units—2018 Characteristics Report (Apartments Completed in 2017 and Absorbed During Their First 3 Months After Completion).

Example A.

Interpolative Testing
2018 Characteristics Report
(2018 Absorptions for 2017 Completions)

From Table 3: One-Bedroom Units

Total number of unfurnished One-bedroom apartment
units = 136,100

If 98,700 has a value of 5,680
And 159,700 has a value of 6,290
Then 136,100 has a value of 6,054

Confidence level: $6,054 \times 1.645$
Computed standard error = 9,959

Lower limit: 126,141
Upper limit: 146,059

Source: U.S. Census Bureau, Survey of Market Absorption of
New Multifamily Units—2018 Characteristics Report (Apartments
Completed in 2017 and Absorbed During Their First 3 Months After
Completion).

Example B-1.

Interpolative Testing
2018 Characteristics Report
(2018 Absorptions for 2017 Completions)

Units: One-bedroom units with absorption rate of 54 percent
after 3 months, based on 136,100 unfurnished apartment
units.

60 percent
If 98,700 has a value of 3.3
And 159,700 has a value of 2.6
Then 136,100 has a value of 2.87

50 percent
If 98,700 has a value of 3.4
And 159,700 has a value of 2.7
Then 136,100 has a value of 2.97

54 percent
If 60 has a value of 2.87
And 50 has a value of 2.97
Then 54 has a value of 2.93

Confidence interval: 2.93×1.645
Computed margin of error = 4.82

54 percent
Lower limit: 49.18
Upper limit: 58.82

Source: U.S. Census Bureau, Survey of Market Absorption of
New Multifamily Units—2018 Characteristics Report (Apartments
Completed in 2017 and Absorbed During Their First 3 Months After
Completion).

Example B-2.

Interpol Testing
2018 Characteristics Report
(2018 Absorptions for 2017 Completions)

136,100 units at \$1,415

σ50 percent
If 98,700 has a value of 3.4
And 159,700 has a value of 2.7
Then 136,100 has a value of 2.9708

Source: U.S. Census Bureau, Survey of Market Absorption of
New Multifamily Units— 2018 Characteristics Report (Apartments
Completed in 2017 and Absorbed During Their First 3 Months After
Completion).